

1918—



—1947

Entered as 2nd class matter

MR. PAUL F. MANLEY  
17917 SCHNELEY AVE.  
CLEVELAND 19, OHIO

CLM-1

# FOREIGN POLICY BULLETIN

*An interpretation of current international events by the Research Staff of the Foreign Policy Association*

FOREIGN POLICY ASSOCIATION, Incorporated

22 East 38th Street, New York 16, N. Y.

Vol. XXVI, No. 22

MARCH 14, 1947

## BIG FOUR SHARPLY DIVIDED ON GERMANY'S POLITICAL FUTURE

THE economic problems of Germany, which promise to dominate the Moscow conference, are inextricably linked to the problems of Germany's future political structure. The fundamental question now is how to assure the economic unity of Germany, generally agreed to be necessary for its revival as a modern industrial nation, yet prevent the establishment of a highly centralized administrative system which could be used by a militant government for renewed aggression.

**FEDERAL OR UNITARY STATE?** At the present time the occupying powers differ profoundly as to the character of Germany's future political structure. The United States favors a federation composed of democratically elected governments of territorial units known as states or *Laender*. There are three *Laender* in the American zone—Wuerttemberg-Bade, Greater Hesse and Bavaria—headed by Minister-Presidents who meet periodically at Stuttgart for conferences concerning mutual problems. A similar administrative pattern is being developed in the British zone. Under the American plan, so far as it is known, the *Laender* governments would delegate certain powers to a central federal administration—notably with respect to economic activities such as agriculture, industry, finance, transportation, communications and foreign trade—but would retain other powers. John Foster Dulles, Republican adviser to the American delegation at Moscow, in a statement made on January 17 before the National Publishers' Association in New York, supported "some application of the federal formula," but spoke of "a form of joint control which will make it possible to develop the industrial potential of western Germany in the interest of the economic life of western Europe including Germany"—a suggestion that aroused a storm of indignation in Moscow. Britain agrees with the United

States regarding the need for a federal system in Germany, as indicated most recently by Foreign Secretary Bevin in his address of February 27 to the House of Commons, when he said that "the best way to get a democratic Germany is probably by a decentralized Germany with powers vested in the provinces and with only certain powers in the Central Government."

France, until now, has urged a loose confederation of German states similar to that which existed from 1815 until the unification of Germany by Bismarck in 1866, apparently on the assumption that it would be easier for Germany's relatively weak western neighbors to achieve a satisfactory *modus vivendi* with more or less separate German territories—the Rhineland, Bavaria, and so on—than with a strong federation. The French scheme is regarded as unworkable by the United States and Britain, and is opposed by the Russians who, according to some observers, fear that the division of Germany into relatively autonomous areas would enable the Germans to evade fulfillment of reparations and disarmament responsibilities. France, however, might be persuaded to accept the American federation plan provided, in turn, the Western powers acquiesce in its proposal for international supervision of the Ruhr. The French also want to link the Saar, with its important coal mines, to France. On this point former Secretary of State Byrnes, in his Stuttgart speech of September 6, 1946, declared that the United States "does not feel it can deny to France, which has been invaded three times by Germany in seventy years, its claim to the Saar territory," but added that "if the Saar territory is integrated with France she should readjust her reparation claims against Germany."

**WHAT DOES RUSSIA WANT?** Russia has so far vigorously opposed Western plans for a federal

*Contents of this BULLETIN may be reprinted with credit to the Foreign Policy Association.*

Germany, and has insisted on a unitary centralized administration—to the distress of the French, particularly, who regard a centralized Germany as a threat to France's security. In adopting this position, Russia has disproved the predictions of some Westerners who had prophesied that the Soviet government would attempt to divide Germany and to integrate the eastern zone it now occupies into the U.S.S.R. Such an alternative may have been contemplated at one time in Moscow, but if so the failure of the Russian-supported Socialist Unity party to gain a decisive victory in the Russian zone during the elections held last autumn, followed by economic fusion of the American and British zones, brought about a change in Soviet policy. Far from favoring an East-West split of Germany, the Russians have recently accused the Western powers—particularly singling out for criticism Winston Churchill and John Foster Dulles—of working for detachment of Germany's western areas. This is far from being an academic question for the Russians who, as pointed out before, seek to obtain steel and capital equipment from the western zones as additional reparations. The Western powers, for their part, fear that the Russians' demand for a unitary German state is dictated by the hope that they will be able to control such a state more readily than they would a group of *Laender*.

Judgment as to the relative merits of federalization and centralization is affected by opinion as to the degree of democratization achieved, or possible of being achieved, in Germany. All four occupying powers have found the task of denazification far more complex than they had anticipated—partly because the non-Nazi German minority is hard put to

it to punish a majority of the population, partly because so many Germans have been active in the administrative and economic life of the country under Hitler that complete elimination of all Nazi-connected elements would spell complete paralysis of Germany. None of the four powers is convinced that the Germans have undergone a change of heart, although the United States and Britain have been more inclined than Russia and France to assume that Nazism is dead and that Germany is no longer a danger for its neighbors. But all four powers base their political proposals on the grim assumption that the Germans are not yet receptive to democratic practices and may not be for a long time to come. The United States and Britain take the view that a federal system based on the *Laender* will at least provide training in democracy without creating the threat of a highly centralized Germany. The Russians, for their part, contend that, if the social and economic structure of German society were fundamentally altered—presumably along Communist lines—there would be nothing to fear from a unitary Germany, while a Germany divided into a number of states might become a pawn of West against East.

Meanwhile, however, world events are moving with such rapidity that the problem of Germany, regarded barely a few months ago as the central problem of peace-making, may assume a peripheral position at the Moscow conference when compared to the global readjustment in the balance of power precipitated by Britain's internal economic crisis.

VERA MICHELES DEAN

(The second of three articles on the issues before the Moscow Conference.)

## ATOMIC ENERGY DEBATE STALLED ON CONTROL ISSUE

The debate on atomic energy shifted again on March 10 from the Security Council to the Atomic Energy Commission, which is charged with working out a scheme for effective control of this revolutionary force. No other course appeared feasible to members of the Council at Lake Success, after the Russian delegate, Andrei Gromyko, on March 5 had rejected the American-supported control plan. Thus, nearly nine months after Bernard M. Baruch first opened the atomic energy discussions, the debate is stalled on many of the same problems that have held up agreement from the outset. To date the policies of the two chief contending parties, the United States and the U.S.S.R., remain poles apart on the following points: (1) establishment of an independent Atomic Energy Authority, (2) a grant of adequate powers of inspection for that agency, (3) punishment of violations for the misuse of atomic energy (under the American plan, the permanent members of the Security Council would forfeit the veto), and (4) decision on the question whether atomic weap-

ons should be brought under control and then scrapped, or outlawed at once as part of the United Nations attempt to limit all armaments.

**RUSSIA'S STAND CLEAR CUT.** Gromyko's lengthy speech of March 5 set forth Moscow's reasoning on atomic energy control more clearly than on any previous occasion. It is evident from Russia's latest statement that the U.S.S.R. fears this country is attempting to use what Gromyko termed "its monopoly position in the field of atomic energy" to impose a world system of control that will be directed against the sovereignty and economic independence of other states, particularly the Soviet Union. According to the Russian delegate, a supranational Atomic Energy Authority established on the basis of the Baruch proposals would be contrary to the principles of the United Nations Charter, for such an agency would have arbitrary powers, outside the jurisdiction of the Security Council, and thus the "veto rights" of the great powers, which the Charter assures, would be lost. The Russian representative

reiterated the Soviet Union's desire for international control of atomic energy, but urged that a convention should be agreed upon immediately to outlaw the use of atomic weapons. After this is done a control agency, limited in its powers of ownership, management and inspection, could be set up. This body should not be an autonomous organization, wholly separate from the Security Council, nor should it have authority, except in "appropriate cases" on day-to-day decisions, to exercise its power by majority vote.

**TRUST IS LACKING.** Stated thus the Russian position comes as a shock to most Americans who consider the Baruch proposals an advance toward a genuine international policy. It is obvious, of course, that many other disputes between Russia and the Western powers have contributed to the present stalemate on atomic controls. Moreover, one post-war development especially indicates that none of the states keenly interested in atomic controls considers this new power resource so revolutionary as to call for a complete revamping of its military requirements. Since World War II both America and Russia have insisted, rightly or wrongly, on acquiring and maintaining new strategic outposts, whether in Eastern Europe or in the Pacific. The Washington administration's attempt to tighten up the joint defense arrangements for the whole of the Western Hemisphere from the Arctic to the Antarctic falls in this pattern. Britain's concern also with the problem of defending its empire and trading routes, which has led to plans for dispersing industry from the British Isles to the Dominions and establishing military bases in central and southern Africa, reflects the same emphasis on an attempt to achieve unilateral security. It is hardly surprising therefore that there has been such lack of trust on all sides about the plans considered by the Atomic Energy Commission.

**IS IT TOO LATE?** If the trend evidenced by these military developments is already so well established that it cannot be reversed, it is clearly too much to hope that the Atomic Energy Commission can ful-

fill its task. But barring a complete breakdown of Big Three relations, an Atomic Energy Authority can probably be established. On the crucial issue of effective inspection powers, it is perhaps worth pointing out that neither side can claim all the virtue for its position. Russia's offer to agree to limited inspection is perhaps as much as the U.S.S.R. will concede on this score. In any case, in countries where political and economic life is as closely controlled as in Russia inspection may be of only secondary importance.

As for America's "monopoly" in the field of atomic energy, which is so vigorously denounced by the Russians at this juncture, it would appear that there is not a stumbling block to agreement here, but an opportunity for Soviet concession. The American "monopoly" is fast running out, and Russia and other countries are engaged in attempting to release atomic energy and perfect its use. Russia is particularly interested in developing peacetime uses for atomic energy. Since other countries than the United States will soon be able to exploit this new power resource, there is increasingly less reason for Russia to believe that the United States control proposals are advanced solely for nationalistic reasons or for the purpose of interfering in the economic life of other states.

Because the American "monopoly" is running out, this country also will find it advisable to reconsider the manner in which it has approached the problem of control. Most if not all of the problems that now confront the United Nations in the Atomic Energy Commission will be present once the techniques for producing this power are known and developed throughout the world. The United States delegates on the Commission could therefore give way on their insistence that disarmament of atomic weapons must follow rather than precede agreement on controls.

The Baruch scheme, or any similar plan, is going to be accepted only if this country is able to convince Russia and other nations as well that Washington's policies both at home and abroad are designed to insure durable peace and not to build up our own position for another world-wide struggle. But Russia, too, must convince the Western powers of its good faith.

GRANT S. MCCLELLAN

*Just published—*

**THE FOREIGN TRADE POLICY OF THE UNITED STATES** by Harold H. Hutcheson

**25 cents**

March 15 issue of FOREIGN POLICY REPORTS

REPORTS are issued on the 1st and 15th of each month.

Subscription \$5; to F.P.A. members, \$4.

*Cuba*, by Edna Ferguson. New York, Alfred A. Knopf, 1946. \$3.75.

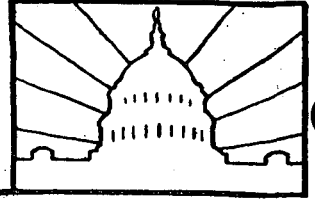
The latest in a series of highly readable books on Latin American countries by Miss Ferguson, *Cuba* discusses the problems of this island Republic with frankness and insight.

FOREIGN POLICY BULLETIN. Vol. XXVI, No. 22, MARCH 14, 1947. Published weekly by the Foreign Policy Association, Incorporated. National Headquarters, 22 East 38th Street, New York 16, N. Y. FRANK ROSS MCCOY, *President Emeritus*; HELEN M. DAGGETT, *Executive Secretary*; VERA MICHELES DEAN, *Editor*. Entered as second-class matter December 2, 1921, at the Post Office at New York, N. Y., under the Act of March 3, 1879. Four Dollars a Year. Please allow at least one month for change of address on membership publications.

**F. P. A. Membership (which includes the Bulletin), Six Dollars a Year**  
Produced under union conditions and composed and printed by union labor.



# Washington News Letter



## WILL U.S. TAKE OVER BRITAIN'S ROLE IN GREECE?

President Truman's blunt warning to the joint session of Congress on March 12 that the United States must provide Greece with an immediate grant of \$250,000,000 if the present Greek government is to succeed in resisting local pro-Russian Communist forces raises a number of far-reaching questions for the Administration, Congress and the American people.

### WILL CONGRESS SACRIFICE ECONOMY?

For the Administration the most immediate problem posed by London's decision to suspend all assistance to the Greek government on March 31 is whether the economy-minded Republican majority in Congress will be ready to appropriate the sizeable sum of money for food and arms which Mr. Truman believes Greece must have in order to withstand Communist pressure. From the point of view of Republican party politics the President's request comes at a particularly embarrassing moment. The March 5 Gallup poll revealed a sharp decline in Republican strength since the November elections, and Senator Raymond E. Baldwin of Connecticut and Governor Harlan J. Bushfield of South Dakota have publicly attributed this decline to the failure of the Eightieth Congress to slash government expenses. Under these conditions even Republicans who are most outspoken in their opposition to Russia's expansion may hesitate to approve an appropriation for Greece unless the Administration can marshal public opinion in behalf of such a measure.

**WHAT ARE U.S. AIMS IN GREECE?** Although the Administration is aware of the important role public opinion will play in determining Congressional action on aid to Greece, the President waited to give a full-length public report on the issues at stake in the Greek crisis until after he had consulted Congressional leaders in a series of White House conferences. In all these discussions, one question Mr. Truman found it necessary to answer clearly and convincingly was: Exactly what are American interests in Greece? The reply Mr. Truman is reported to have given to this question during his conference with Secretary Marshall and Congressional leaders on March 1, two days after Washington learned that Britain was obliged to terminate economic aid to Greece by March 31, was that the collapse of the present regime in Athens would lead to Russian control over Greece through the Communist minority in that country and the inevitable extension of Soviet

domination over Turkey and the Dardanelles. Such a sudden shift in the balance of power in the Mediterranean, Mr. Truman is reported to have declared, might be expected to have repercussions as far east as India and as far west as Italy and France.

The President's contention that Greece is the key to the strategically important Mediterranean and Middle East will undoubtedly win many supporters for his request for a Congressional grant. This argument alone, however, will not overcome the fears voiced by a number of Congressmen and unofficial commentators during the past week that the United States may inherit Britain's negative policy of supporting King George II and the extreme Right in Greece. As these observers point out, the present Greek cabinet, despite the presence of representatives of all parties except the Communists and the left-wing Liberals, is dominated by the extreme Right. As a result many moderate elements refuse to support the government, and a large number of bitterly dissatisfied non-Communists have apparently rallied to the extreme Leftist minority.

**CAN GREEK REGIME BE REFORMED?** At present there is little inclination in the State Department to discuss definite plans for reform of the Greek government. The Department feels that the immediate task confronting the United States in Greece is to help defeat the rebels and prevent the partition of the country. Nevertheless, the United States has recently taken two steps which, if properly implemented, could lead to a far more positive policy toward Greece than that hitherto followed by Britain. First, President Truman sent an investigating commission, headed by Paul Porter, to Greece nearly two months ago, and this commission, which is expected to make its report soon, may be able to suggest definite ways whereby American assistance can improve the nation's desperate economic situation. Second, Secretary Marshall's statement of February 14, reaffirmed the determination of the United States to encourage all moderate elements in Greece. This statement offers the hope that the United States, under the leadership of a Secretary of State who is keenly aware that the extreme Right is neither capable of winning widespread support nor of safeguarding American interests, will press for the establishment of a truly representative Greek government at the earliest possible moment.

WINIFRED N. HADSEL